



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 25, 2003

H.R. 2734 **Federal Aviation Administration Research and Development** **Reauthorization Act**

As ordered reported by the House Committee on Science on July 22, 2003

SUMMARY

CBO estimates that H.R. 2734 would authorize the appropriation of about \$1.5 billion over the 2004-2008 period for the Federal Aviation Administration's (FAA's) civil aviation research and development programs. Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 2734 would cost nearly \$1.5 billion over the 2004-2008 period. The bill would not affect direct spending or revenues.

H.R. 2734 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

For this estimate, CBO assumes that H.R. 2734 will be enacted by the end of fiscal year 2003 and that the specified and estimated authorization amounts will be provided for each year. Estimates of outlays are based on historical spending patterns for similar activities. The estimated budgetary impact of H.R. 2734 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars					
	2003	2004	2005	2006	2007	2008
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for FAA Research and Development						
Budget Authority ^a	147	0	0	0	0	0
Estimated Outlays	180	80	26	5	0	0
Proposed Changes						
Estimated Authorization Level	0	431	456	472	70	90
Estimated Outlays	0	151	335	483	355	148
Spending Under H.R. 2734 for FAA Research and Development						
Estimated Authorization Level ^a	147	431	456	472	70	90
Estimated Outlays	180	231	361	488	355	148

a. The 2003 level is the amount appropriated for that year for the FAA's civil aviation research and development programs.

BASIS OF ESTIMATE

H.R. 2734 would authorize the appropriation of \$371 million in 2004 and about \$1.2 billion over the 2004-2006 period for civil aviation research and development programs administered by the FAA. Those amounts include \$15 million in 2004 and \$95 million over the 2004-2006 period for a new office to coordinate certain research and development projects carried out by the FAA and the National Aeronautics and Space Administration. Based on information from the FAA, CBO estimates that outlays for those programs would total \$130 million in 2004 and roughly \$1.2 billion over the next five years.

The bill also would authorize the appropriation of \$40 million in 2004 and \$240 million over the 2004-2008 period for a new program to enhance rotocraft technology. (A rotocraft is a type of aircraft that uses rotary wings to take off and land vertically.) Based on information from the FAA, CBO estimates the proposed program would cost \$14 million in 2004 and \$203 million over the next five years.

Finally, H.R. 2734 would require the Secretary of Transportation to establish a research program to identify and address problems faced by airport operators that are not sufficiently studied through FAA's existing research and development activities. Based on information

from the FAA and assuming appropriation of the necessary amounts, CBO estimates that the new program would cost \$7 million in 2004 and \$89 million over the 2004-2008 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2734 contains no intergovernmental or private-sector mandates as defined in UMRA, and would impose no costs on state, local, or tribal governments.

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